

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7466

BILL NUMBER: SB 403

NOTE PREPARED: Feb 22, 2007

BILL AMENDED: Feb 22, 2007

SUBJECT: Freezing of Credit Reports.

FIRST AUTHOR: Sen. Dillon

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill provides that a consumer may prevent access to the consumer's credit report by requesting that the consumer reporting agency place a security freeze on the consumer's credit report. It imposes other requirements and restrictions.

The bill provides that: (1) a consumer reporting agency may furnish a consumer's identifying information only to certain persons; (2) a consumer may bring a civil action against a consumer reporting agency for injury caused to the consumer by the consumer reporting agency's violation of the law; and (3) the Attorney General may bring an action to recover a civil penalty of \$2,500 for a knowing or intentional violation or series of violations concerning one consumer and not more than a total of \$100,000 for knowing or intentional violations of the security freeze law for related violations concerning more than one consumer.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The Office of the Attorney General could incur costs to bring an action for a person knowingly or intentionally violating the provisions concerning consumer credit report security freezes.

Explanation of State Revenues: A consumer may bring a civil action if the consumer is injured by a violation of the provision. The Attorney General's Office may also bring an action which could result in a civil penalty of \$2,500 for a violation affecting one consumer or not more than \$100,000 for violations affecting more than one consumer.

If additional consumer-initiated civil actions occur and court fees are collected, revenue to the state General

Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund when the case is filed in a court of record. Any additional revenue is likely to be minimal.

The Attorney General's Office does not pay court fees to bring an action. Any civil penalties collected by the Office of the Attorney General are deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Circuit and superior courts could see an increased number of suits filed as a result of the bill. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. Any additional revenue is likely to be minimal.

State Agencies Affected:

Local Agencies Affected: Circuit and Superior Courts.

Information Sources:

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